(b) As per the provisional accounts, the fiscal deficit in the first six months upto September, 1996 was Rs. 30905 crore which works out to 49.6% of the Budget Estimate figures of Rs. 62266 crore for the year 1996-97.

(c) and (d) The position of fiscal deficit during the course of the year may vary due to temporary mismatches and cannot be a definite indicator of the year and outcome. Government would endeavour to contain fiscal deficit by maximizing revenue and controlling expenditure.

Evasion of Excise Duty by manufacturers of Polyster Staple Fibres

360. SHRI SANJAY DALMIA: Will the Minister of FINANCE be pleased to state:

(a) whether the anti-evasion Directorate of the Central Board of Excise and Customs (CBEC) has initiated investigations to recover over Rs. 1000 crores of Central Excise Duty allegedly evaded by manufacturers of Polyster Staple Fibre (PSF) and its users;

(b) the outcome of the investigations made; and

(c) the meausres taken to prevent such evasion of central excise duty by these polyster staple fibre manufacturers and its users?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) to (c) The Directorate General of Anti-evasion of the Central Board of Excise and Customs initiated investigations in December, 1994 on receipt of information against some manufacturers of polyster staple fibres and spinners of yarn.

Show cause notices have been issued alleging evasion of duty to the tune of Rs.10.65 crores against three manufacturers. Investigations conducted so far reveal a prima facie evasion of Rs. 11.38 crores. The total evasion involved is not likely to exceed Rs. 15 crores.

In order to prevent such evasion, steps were taken in the Budget of 1995-96 to amend the duty structure of 'waste' of Ployester Staple Fibre and all other man-made fibres by placing them under a common sub-head. A minimum excise duty of Rs. 10/-per kg. was also prescribed for all such 'waste'. A further change was made to the effect that the expression 'staple fibre' shall include 'waste' of synthetic staple fibre or filament, so that yarn manufacturer, even by use of waste fibres, pays duty.

Policy regarding reforming of Insurance Sector and Pension Funds

361. SHRI ANANTA SETHI: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government have decided to reform the insurance sector and tap the pension funds to finance infrastructure projects; and

(b) if so, the details regarding the policy of Government in this regard?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) and (b) The Common Minimum Programme (CMP) of the Government lays down that:

"There is a strong link between infrastructure development and financial sector reforms. Infrastrcture needs long term finances. The United Front Government will carry out further reforms of the financial sector so that the flow of both domestic and foreign funds to the infrasturcture sector is enhanced substantially. There is room for public sector companies and private sector companies to co-exist and compete in the financial sector. We have gained considerable experience in the working of the banking sector. The said experience will be applied to the restructuring of the insurance industry, but at the same time, public sector companies like LIC, GIC etc. will be strengthened."